



# Unified Carrier Registration Plan

## Audit Subcommittee Meeting

October 14, 2020  
Noon – 2:00 p.m. ET

### Subcommittee Members in Attendance

Mike Hoeme, *Chair*  
Robert Pitcher  
William Debord  
Suzanne Stillwell  
Eric Belford  
Lydia Sahley  
Amanda Shehane  
Verna Jackson  
Jessica Barnes  
Ryan Nance  
Jessica Kines  
Kurt Grajkowski  
Inga Johnson

### Others in Attendance

Tamara Young  
Alex Leath  
Avelino Gutierrez  
*Kellen Company*: Dave Scholz, John Mazzaglia, Katherine Thurmond, Daniel Choppa, and Tom Gooding  
*Williams, Benator and Libby*: Patricia Yeager, Benny Herman, and Jaymini Patel  
*SeikoSoft*: Toby Piquet, Lori Lefai

### Absent Subcommittee Members

Crystal Boies  
Nicholas Wright  
Rod Moser  
Kyle Larson

**UNIFIED CARRIER REGISTRATION PLAN  
AUDIT SUBCOMMITTEE MEETING**

**MINUTES**

**I. Call to Order**

Mike Hoeme, the Audit Subcommittee Chair, welcomed attendees, called the meeting to order at 12:01 pm ET, called roll for the Subcommittee, confirmed that a quorum was present, and facilitated self-introductions.

**II. Verification of Publication of Meeting Notice**

The UCR Executive Director verified the publication of the meeting notice on the UCR website and distributed to the UCR contact list via e-mail followed by the subsequent publication of the notice in the *Federal Register* on Tuesday, October 13, 2020 in Vol. 85, No. 198, pages 64615-64616.

**III. Review and Approval of Subcommittee Agenda and Setting of Ground Rules**

The Subcommittee Agenda was reviewed, and the Subcommittee considered adoption.

A MOTION was MADE and SECONDED to adopt the October Audit Subcommittee meeting agenda. The MOTION CARRIED.

**IV. Review and Approval of Subcommittee Minutes from the January 27, 2020 Meeting**

Mike Hoeme, the Audit Subcommittee Chair, presented the draft minutes from the January 27, 2020 Subcommittee meeting to be reviewed. The Subcommittee considered action to approve.

A MOTION was MADE and SECONDED to approve the January 27, 2020 Audit Subcommittee meeting minutes. The MOTION CARRIED.

**V. Update from Williams Benator and Libby (Independent Auditors)**

Dave Scholz, the UCR Depository Manager, introduced the Independent Auditors from Williams Benator and Libby. The Independent Auditors addressed the Subcommittee and answered their questions, with an emphasis on the financial statement audits of the UCR Depository for the 2017-2019 fiscal years and issues regarding internal controls over financial reporting.

Patricia Yeager introduced Benny Herman who will be taking over the role of Patricia in working with UCR moving forward.

**VI. State Compliance Reviews**

Dave Scholz, the UCR Depository Manager, discussed plans for completing state compliance reviews for 2020 and made recommendations for the eight state compliance reviews planned for 2021.

A MOTION was MADE and SECONDED to approve the State Compliance reviews for 2020 and 2021. The MOTION CARRIED.

**VII. Unregistered Brokers**

Mike Hoeme, the Audit Subcommittee Chair, discussed the challenges that unregistered brokers present to UCR enforcement. The discussion highlighted jurisdiction and other

challenges, and also included dialogue regarding successes and ideas for addressing broker registration enforcement.

**VIII. Tracking of Audit Data in the National Registration System (NRS)**

Mike Hoeme, the Audit Subcommittee Chair, discussed the merits of the Subcommittee having an oversight role in the audit notes on closed audits regarding the FARs and MCS-150 retreats from brackets 5 & 6, when there is an indication of an error or insufficient documentation to close the audit. The Subcommittee took action to recommend to the Board adoption of an oversight role regarding audit notes.

A MOTION was MADE and SECONDED to adopt an oversight role regarding audit notes. The MOTION CARRIED.

**IX. Discuss the Effectiveness of Solicitation Programs at both the state level and in the NRS**

Mike Hoeme, the Audit Subcommittee Chair led a discussion regarding the various solicitation programs/policies deployed by the participating states and the NRS. The Subcommittee took action to develop and potentially recommend to the Board adoption of a model solicitation program/policy.

**X. Search and Recommendation of a Vice-Chair for the Audit Subcommittee**

Dave Scholz, the UCR Depository Manager, led a discussion seeking nominations for a Vice-Chair of the Audit Subcommittee. Action was not taken to nominate to the Chair of the UCR Board a candidate for Vice-Chair of the Audit Subcommittee.

**XI. Other Items – Subcommittee Chair**

Mike Hoeme, the Audit Subcommittee Chair called for any other items that Subcommittee members would like to discuss. The following issues were brought before the committee:

- Audit requirements for tier 5-6 retreats - This topic will be added to the next subcommittee meeting agenda.
- Clarification of Option A in the UCR Handbook - The subcommittee decided to not take further action at this time.

**XII. Adjournment – Subcommittee Chair**

Mike Hoeme, the Audit Subcommittee Chair adjourned the meeting at 1:47 pm ET.